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UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF CALIFORNIA

In re

TWINS SPECIAL, LLC  
Debtor

Case No. 20-01230-CL11  
Chapter 11

FIRST AMENDED  
JOINT PLAN OF REORGANIZATION  
DATED JULY 15, 2021

Twins Special, LLC, Debtor in Possession; together with secured creditors  
Nicholas Mechling and Christopher Mechling, propose the following First Amended  
Joint Plan of Reorganization Dated July 15, 2021 (as amended from time to time, this  
“Plan”).

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**1. DEFINITIONS**

The following terms when used in this Plan shall have the meanings set forth below:

1.1 Administrative Claim means any cost or expense of administration of the Bankruptcy Estate that is entitled to priority in accordance with 11 U.S.C. §§ 503(b) and 507(a)(1), including, without limitation: any actual and necessary expenses of preserving the Debtor's estate and of managing the Debtor's business from and after the Petition Date to and including the Effective Date, including but not limited to, reimbursement of expenses incurred or paid for the benefit of the Debtor, all allowances of compensation and reimbursement of costs and expenses to professionals, as approved by a Final Order, and any fees or charges assessed against the Debtor's estate under 28 U.S.C. §1930.

1.2 Allowed Claim means any Claim, in whole or part, (i) proof of which was timely and properly filed with the Bankruptcy Court, deemed filed under applicable law or by reason of an order of the Bankruptcy Court and as to which no objection has been timely filed or, otherwise, (ii) a Claim which has been or hereafter is listed by the Debtor on its schedules filed under 11 U.S.C § 521(1) as liquidated in amount and not disputed or contingent.

1.3 Allowed Equity Interest means any Equity Interest, in whole or part, (i) proof of which was timely and properly filed with the Bankruptcy Court, deemed filed under applicable law or by reason of an order of the Bankruptcy Court and as to which no objection has been timely filed or, otherwise, (ii) an Equity Interest which has been or hereafter is listed by the Debtor on its schedules filed under 11 U.S.C § 521(1) as not disputed or contingent.

1.4 Avalanche means Avalanche Company, LLC, the debtor in a related Chapter 11 bankruptcy case, No. 20-01229-CL11 in the United States Bankruptcy Court, Southern District of California.

1.5 The Avalanche Case means the bankruptcy case commenced on behalf of Avalanche as Case No. 20-01229-CL11 in the United States Bankruptcy Court, Southern District of California.

1.6 This Bankruptcy Case means only the above-captioned bankruptcy case, No. 20-1230-CL11, commenced on behalf of the Debtor, Twins Special LLC.

1.7 Bankruptcy Court means the United States Bankruptcy Court for the Southern District of California, or the United States District Court for the Southern District of California, if the reference of this Bankruptcy Case to the Bankruptcy Court is withdrawn.

1.8 Bankruptcy Court Order means an order of the Bankruptcy Court, signed by a United States Bankruptcy Judge and entered on the docket of This Bankruptcy Case, whether or not that order is subject to an appeal or a motion for reconsideration or amendment.

1.9 Bankruptcy Estate means the estate referred to in 11 U.S.C. §541, and includes all property of the Debtor, including property owned or acquired before or after the Petition Date.

1.10 Bar Date means a deadline established by this Plan and/or by a Bankruptcy Court Order, for taking an action in this Bankruptcy Case, such as filing a proof of claim, or objecting to a Claim, or filing an application for professional compensation.

1.11 Claim means any right (a) to payment from the Debtor, whether or not such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured or unsecured; or (b) to an equitable remedy for breach of performance if such breach gives rise to a right of payment from the Debtor whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured, unmatured, disputed, undisputed, secured or unsecured.

1.12 Claims Objection Bar Date means the deadline for filing an objection to a Claim with the Bankruptcy Court.

1.13 Confirmation Order means a Bankruptcy Court Order confirming this Plan. The entry of a Confirmation Order puts the Plan into effect.

1.14 Creditor means the holder of a Claim that arose on or before the Petition Date, or which is provided for by 11 U.S.C. § 502 subdivisions (g), (h) or (i).

1.15 Debtor means Twins Special, LLC

1.16 Debtor in Possession means Twins Special, LLC in its fiduciary capacity on and after the Petition Date, until the Effective Date.

1.17 Disputed Claim means a Claim: (a) which has been listed in the Debtor's Schedules as disputed, contingent or unliquidated, unless a proof of Claim is filed with respect thereto; (b) as to which a proof of Claim is filed which does not assert a Claim for a fixed, liquidated sum, or (c) to which an objection has been filed which is neither the subject of a Final Order nor has been withdrawn.

1.18 Effective Date means the date which is ten court days after the date of entry of the Confirmation Order.

1.19 Equity Interest means a membership interest in the Debtor, a limited liability company.

1.20 Executory Contract means a contract, including a lease, to which the 11 U.S.C. § 365 applies.

1.21 Fighting Spirit Sublicense means a sublicense granted by the Mechlings to Fighting Spirit, LLC, as to the Intellectual Property subject to the Mechling License.

1.22 Final Order means any court order which is subject to appeal and as to which: (a) the time for an appeal has expired and no appeal has been timely filed; or (b) any appeal that has been taken has been finally determined or dismissed and the time for any further appeal has expired.

1.23 Impaired The effect on a Claim or Interest as defined in 11 U.S.C. §1124. Generally, Impaired means that the legal rights associated with the Claim are adversely affected.

1.24 Intellectual Property means all patents and trademarks and other intellectual property owned by the Debtor, including trademarks relating to the “Twins Special” and “King Professional” brands.

1.25 Intellectual Property Proceeds means all net income actually received in cash (and not merely realized for purposes of accounting or income taxation) by the Mechlings which net income was generated by the use, enforcement or sublicensing of the Intellectual Property. The term shall have the same meaning as when it was used in the Mechling License.

1.26 Mechlings means Nicholas and Christopher Mechling or their successor(s) in interest.

1.27 Mechling License means the License Agreement, dated as of January 1, 2017, by means of which the Debtor granted to the Mechlings an exclusive license to use, enforce and sublicense the Intellectual Property.

1.28 Mechling Secured Claim means all Claims of the Mechlings which are secured, or alleged to be secured, by property of the bankruptcy estate or of the Debtors.

1.29 Paid in Full means payment in cash of the full amount of any Allowed Claim, including interest thereon if interest is specifically provided for by the Plan.

1.30 Petition Date means March 3, 2020, the date on which the Debtor filed its Chapter 11 petition, commencing This Bankruptcy Case.

1.31 Plan Payment means any payment required to be made under the Plan, including any prepayments which are permitted.

1.32 Pouliot Judgment Claim means the claim based upon the Judgment assigned to Simon Pouliot, evidenced by the proof of claim filed in this Bankruptcy Case and designated as Claim No. 3.

1.33 Pre-Petition means the period of time prior to the Petition Date.

1.34 Present Value means the value, as of the Effective Date, of a future Plan Payment or stream of Plan Payments, given a specified rate of return or “discount rate.” Under the Plan, Present Value shall be computed using a discount rate of 3%.

1.35 Priority Tax Claim means any claim of a governmental unit entitled to priority pursuant to 11 U.S.C. §507(a)(8).

1.36 Pro Rata means proportionately, so that the ratio of the consideration distributed on account of an Allowed Claim in a Class to the consideration distributed



on account of all Allowed Claims in that Class is the same as the ratio of such Allowed Claim to all Allowed Claims in the Class.

1.37 Reorganized Debtor means the Debtor from and after the Effective Date.

1.38 Secured Claim means any Claim secured by a lien on, security interest in, or charge against property of the Bankruptcy Estate or that is subject to setoff under 11 U.S.C. §553, to the extent of the value of the Creditor's interest in such property, or to the extent of the amount subject to setoff, as determined pursuant to 11 U.S.C. §506(a).

1.39 Shared Claim means any claim which is Allowed in both This Bankruptcy Case and in the Avalanche Case.

## **2. CLASSIFICATION AND TREATMENT OF CLAIMS**

### **2.1 Class 1 – Mechling Secured Claim**

Class 1 consists of the Allowed Secured Claim of the Mechlings. Class 1 is Impaired. The Mechlings, as co-proponents of the Plan, are deemed to have consented to the Plan and shall not be required to vote to accept or reject the Plan. The Class 1 Allowed Claim shall continue to bear interest at the contract rate. The Class 1 Allowed Claim shall be secured and perfected continuously and without interruption by the existing Pre- Petition personal property security agreement in effect on the Petition Date.

As required under the Mechling License, all Intellectual Property Proceeds received by the Mechlings shall be offset against, and reduce the balance of, the Allowed Class 1 Claim, except those Intellectual Property Proceeds which are contributed by the Mechlings to the Debtor or Avalanche to make Plan Payments. No

1 payment shall be made on account of the Class 1 Allowed Claim until all Allowed  
2 Claims are Paid in Full.

3 2.2 Class 2 – Pouliot Judgment Claim

4 Class 2 consists of the Pouliot Judgment Claim. Class 2 is Impaired. The single  
5 member of Class 2 is entitled vote to accept or reject the Plan. The Class 2 Claim is  
6 Allowed in the liquidated amount of \$141,588.47. The extent of the judicial lien  
7 securing the Pouliot Judgment Claim is subject to dispute. However, the Class 2  
8 Allowed Claim shall be treated as fully secured for purposes of priority and  
9 distribution under the Plan. Mr. Pouliot will retain under the Plan all of his judicial  
10 lien rights to the extent that they existed on the Petition Date.

11 The Class 2 Allowed Claim shall bear interest at 3% per annum from and after  
12 the Effective Date, and shall be paid in 48 monthly installments. The first such  
13 installment shall be due on the later of: (i) April 1, 2022 or (ii) on the first day of the  
14 second full month after the Effective Date. The total installments shall have a Present  
15 Value, amortized at 3% per annum, equal to the amount of the Class 2 Allowed Claim  
16 as of the Effective Date. The installments are graduated in amount, with smaller  
17 installments due during the first year of Plan Payments, and increasing during the  
18 second, third and fourth years. Attached as Exhibit 1 is a schedule showing the  
19 amount of the monthly installments to be paid to Class 2.

20 The Class 2 Allowed Claim is potentially subject to offset for damages  
21 allegedly caused by acts of Mr. Pouliot which took place, or were discovered, after the  
22 Petition Date. In the event that the Reorganized Debtor commences an action to  
23 recover damages against Mr. Pouliot, then the Class 2 Claim shall be a Disputed  
24 Claim by reason of a potential offset. Plan Payments which become due from and

after the date of commencement of that action shall be sequestered in the Claims Reserve provided for in Article 5 of this Plan, to be released at such time as the action is dismissed or resolved by final judgment or order.

The Reorganized Debtor is permitted to prepay all or a portion of the Class 2 Allowed Claim at any time, notwithstanding that any other Allowed Claim has at that time not been Paid in Full.

Upon receipt of Payment in Full of the Allowed Class 2 Claim, the holder of the Class 2 Claim shall execute, acknowledge and deliver to the Reorganized Debtor, within ten business days of receipt of a written request therefor an Acknowledgment of Full Satisfaction of Judgment.

### 2.3 Class 3 - General Unsecured Claims

Class 3 consists of all general unsecured claims. Class 3 is Impaired. Members of Class 3 are entitled to vote to accept or reject the Plan. None of the Class 3 Claims are Disputed.

The Class 3 Allowed Claims shall bear interest at 3% per annum from and after the Effective Date, and shall be paid in 48 monthly installments. The first such installment shall be due on the later of: (i) April 1, 2022 or (ii) on the first day of the second full month after the Effective Date. The total installments shall have a Present Value, amortized at 3% per annum, equal to the amount of the Class 3 Allowed Claims as of the Effective Date. The installments are graduated in amount, with smaller installments due during the first year of Plan Payments, and increasing during the second, third and fourth years. Attached as Exhibit 1 is a schedule showing the amount of the monthly installments to be paid to Class 3.

Notwithstanding any other provision set forth in this section, no payment shall be made on account of a Class 3 Allowed Claim unless all Plan Payments owing to the Class 2 Creditor, which first became due on or before the date on which the date on which the subject Class 3 payment is to be made, have been made.

The Reorganized Debtor is permitted to prepay all or a portion of the Class 3 Allowed Claims at any time and from time to time, but only if all Unclassified Claims, and the Class 2 Claim, have been Paid in Full.

#### 2.4 Class 4 – Equity Interests

Class 4 consists of the Equity Interests of the Mechlings in the Debtor. Class 4 is Unimpaired. The Mechlings shall retain their equity interests in the Debtor. As co-proponents of the Plan, and because their Interests are Unimpaired, the Mechlings are deemed to have consented to the Plan and they shall not be required to vote.

### **3. DESIGNATION AND TREATMENT OF UNCLASSIFIED CLAIMS**

In accordance with Bankruptcy Code section 1123(a)(1), the following Claims are unclassified. The following categories of unclassified Allowed Claims are subject to treatment as follows:

#### 3.1 Administrative Claims.

Except to the extent that the holder of a particular Administrative Claim has agreed to a different treatment, all Administrative Claims shall be Paid in Full on the later of the Effective Date or the entry of a Bankruptcy Court Order approving such Claim; provided, however, that Administrative Claims that represent expenses, debts, or liabilities incurred by the Debtor in the ordinary course of business from and after the Petition Date shall be assumed and paid in the ordinary course of administration of

1 the Debtor's affairs in accordance with the terms and conditions of any agreements  
2 relating thereto.

3 3.2 Priority Tax Claims.

4 Except to the extent that the holder of a particular Allowed Priority Tax Claim  
5 has agreed to different treatment of its Claim, the holder of an Allowed Priority Tax  
6 Claim will receive on account of its Claim deferred cash installments not to extend  
7 beyond five years after the Effective Date so that the payments provide the holder of  
8 the Allowed Priority Tax Claim with an amount equal to the Present Value of the  
9 Allowed Priority Tax Claim.

10 The payment of Allowed Priority Tax Claims shall be made in equal semi-  
11 annual installments with the first installment due on the first day of the sixth full  
12 months after the Effective Date, computed such that the present value of the  
13 payments, if made over the five year period, would equal the Present Value of the  
14 Claims. Provided however that the remaining balance of any Allowed Priority Tax  
15 Claim shall be Paid in Full no later than the third anniversary of the Effective Date. If  
16 a Disputed Priority Tax Claim later becomes an Allowed Priority Tax Claim, then the  
17 first installment shall be due 30 calendar days after the date on which the order  
18 allowing such Priority Tax Claim, or portion thereof, becomes a Final Order. The  
19 Reorganized Debtor may pay any Allowed Priority Tax Claim, or any remaining  
20 balance of such Allowed Priority Tax Claim, in full, at any time on or after the  
21 Effective Date, without premium or penalty.

22 3.3 Bar Date for Administrative Claims

23 The Confirmation Order shall include a provision establishing a Bar Date for  
24 the filing of proofs of claim in relation to administrative claims. The Confirmation

Order shall also include a provision establishing a Bar Date for the submission of applications for compensation and reimbursement of expenses of professionals employed by the Debtor in Possession.

#### **4. IMPLEMENTATION OF THE PLAN**

##### **4.1 Funding from Intellectual Property Proceeds**

Before each Plan Payment becomes due, the Mechlings shall deposit to the account of the Reorganized Debtor funds sufficient to make each Plan Payment. The Mechlings anticipate that the source of these deposits shall be Intellectual Property Proceeds. Notwithstanding any provision of the Mechling License Agreement, Intellectual Property Proceeds received by the Mechlings will not, to the extent they are paid to the Reorganized Debtor to fund the Plan, be offset against or otherwise reduce the balance of the Class 1 Claim.

##### **4.2 Funding From Subordinated Loans**

Only to the extent that the Intellectual Property Proceeds received by the Mechlings is insufficient to fund the Plan Payments, the Mechlings may, but are not required to, deposit to the account of the Reorganized Debtor funds sufficient to make the balance of each Plan Payment, before that Plan Payment becomes due. Each advance of funds required to be so deposited by the Mechlings shall constitute a loan to the Reorganized Debtor. Such loan(s) may be on any terms agreed to by the Mechlings and the Reorganized Debtor. Provided, however, that the Reorganized Debtor may not make any payment on account of any such loan(s), and the Mechlings may not exercise any default remedies with respect to such loan(s), until all Allowed Claims provided for by the Plan are Paid In Full.

1           4.3   Payments on Account of Shared Claims. To the extent that payments to a  
2 particular Creditor made by the reorganized debtor in the Avalanche Case is on  
3 account of a Shared Claim, the amount of that payment shall be credited against the  
4 Plan Payment which would otherwise be due from the Debtor to that Creditor. The  
5 Mechlings shall have sole discretion as to which Debtor entity shall be funded so as to  
6 make payments which are, in the Aggregate, sufficient to amortize the Claims as  
7 provided for in this Plan. In no event shall the insufficiency of funds in Avalanche  
8 operate to reduce the obligation of the Reorganized Debtor to make the full amount of  
9 the Plan Payments according to the schedule provided for under this Plan.

10           4.4   Management.

11           The Reorganized Debtor shall be managed by the Mechlings, who shall sign all  
12 quarterly reports required to be made under the Plan. The Mechlings shall receive no  
13 compensation from the Bankruptcy Estate or from the Reorganized Debtor for their  
14 management of the Debtor in Possession, or for management of the Reorganized  
15 Debtor, until all Claims provided for by the Plan are Paid in Full.

16           4.5   Post- Confirmation Employment of Professionals.

17           The Reorganized Debtor may, after the Effective Date and without a Court  
18 order, employ attorneys, accountants and other professionals as are reasonably  
19 necessary, in order to among other things: (i) represent the Reorganized Debtor in any  
20 court proceedings, including proceedings in the Bankruptcy Court; (ii) assist in  
21 facilitating the generation of Intellectual Property Proceeds which fund the Plan  
22 Payments; (iii) prepare tax returns; and (iv) assist in preparing the quarterly reports  
23 required by the Plan. Such professionals may be compensated by the Reorganized  
24 Debtor for services performed after the Effective Date without a Court Order.

1 Provided however that no Plan Payment shall be reduced or deferred by reason of the  
2 need to compensate attorneys, accountants or other professionals.

3 4.6 Compliance with the Requirements of the United States Trustee.

4 The Reorganized Debtor shall comply with all requirements of the United  
5 States Trustee, including the submission of quarterly reports and the payment of  
6 quarterly fees, until the entry of a Final Decree.

7 4.7 Final Decree

8 The Plan shall be deemed to have been substantially consummated within the  
9 meaning of 11 U.S.C. §1101(2) when all of the following conditions have been  
10 satisfied:

11 4.7.1 At least six months have passed following the Effective Date; and

12 4.7.2 All reporting requirements have been met and all fees owing to the  
13 United States Trustee have been paid.

14 **5. DISPUTED CLAIMS**

15 5.1 The Claims Reserve

16 In the event that a Claim is presented prior to the Effective Date which is a  
17 Disputed Claim which would, if allowed, have equal or greater priority than that  
18 accorded to Class 3, then a Claims Reserve shall be established. If so required, the  
19 Reorganized Debtor shall open an interest-bearing, federally-insured deposit account  
20 and designate such account as the Claims Reserve. Such account shall be used solely  
21 for deposit of funds on account of Disputed Claims. No other funds shall be deposited  
22 into such account, and withdrawals shall be made therefrom only in accordance with  
23 this Plan, the Confirmation Order and/or any Final Order resolving a Disputed Claim.  
24



1 When any Plan Payment is required to be to be made, the Reorganized Debtor  
2 shall deposit into the Claims Reserve any amount that would be distributed to the  
3 holder of a Disputed Claim if it were an Allowed Claim. Such amounts shall be  
4 retained in the Claims Reserve, until any objection to the Disputed Claim is resolved  
5 by a Final Order.

6 Provided however that the Debtor, or the Reorganized Debtor, may apply to the  
7 Bankruptcy Court for an order estimating any portion of a Disputed Claim for  
8 purposes of the requirement for a deposit to the Claims Reserve.

9 At such time as a Disputed Claim is fully resolved by a Final Order, the funds  
10 held in the Claims Reserve on account of that Claim shall be: (i) distributed in order to  
11 bring current all Plan Payments owing on account of the Allowed Claim, and (ii) any  
12 balance shall be distributed in order to pre-pay other Allowed Claims, but only in the  
13 priority allowed under the Plan.

#### 14 5.2 Claim Objection Bar Date

15 The Confirmation Order shall set a Bar Date by which any objection to a  
16 Disputed Claim must be filed. Such Bar Date shall not be later than 120 days after the  
17 Effective Date.

### 18 6. EXECUTORY CONTRACTS

19 Except as provided elsewhere in this paragraph, all Executory Contracts to  
20 which the Debtor was a party on the Petition Date, including the Mechling License,  
21 and the Fighting Spirit Sublicense, shall be deemed to have been assumed upon the  
22 Effective Date, without the necessity of any additional cure of defaults or further  
23 assurance of future performance.  
24

1     **7.     EFFECT OF CONFIRMATION**

2             7.1     Binding Effect of the Plan. The provisions of the Plan shall bind the  
3     Reorganized Debtor, all Creditors and all Equity Interest holders, and there assignees  
4     and successors in interest, whether or not the Claim or Interest of such Creditor or  
5     Equity Interest holder is Impaired under the plan and whether or not such Creditor or  
6     Equity Interest holder has accepted the Plan.

7             7.2     Discharge. Upon the Effective Date, the Debtor and the Reorganized  
8     Debtor shall be discharged from all debts that arose or are treated under the  
9     Bankruptcy Code as if they had arisen, at any time before confirmation of the Plan to  
10    the extent specified in Bankruptcy Code section 1141. The discharge shall be effective  
11    as to each debt, regardless of whether a proof of claim therefor is filed or deemed  
12    filed, whether the Claim is an Allowed Claim, or whether the Creditor accepts the  
13    Plan. Upon the Effective Date, any defaults by the Debtor under any creditor's  
14    agreement with the Debtor shall be deemed cured, any notice of default or sale  
15    recorded by any creditor prior to the Effective Date, including all enforcement  
16    proceedings under the Pouliot Judgment, shall be deemed null, void and of no further  
17    force or effect.

18            7.3     Re-Vesting of Property. All property of the Bankruptcy Estate shall be  
19    vested in the Reorganized Debtor on the Effective Date, free and clear of all claims  
20    and interests which are not expressly and specifically provided for under the Plan.  
21    Specifically, as provided for in the Plan, the security interest of the Mechlings, and  
22    any judicial lien securing the Pouliot Judgment, shall continue in effect until the  
23    Allowed Claims secured by those liens are Paid in Full.

1           7.4   Causes of Action. Property which shall re-vest in the Reorganized Debtor  
2 includes all claims and causes of action belonging to either the Debtor or the  
3 Reorganized Debtor on the Effective Date. These include, without implied limitation  
4 claims against the Thai Factory, infringement claims against other parties, and any  
5 claim against Simon Pouliot based upon, without implied limitation, interference with  
6 economic relationship and breach of a Non-Disclosure Agreement.

7           7.5   Preservation of Creditor Remedies Relating to Mechling Secured Claims.  
8 Notwithstanding anything else in this Plan: In the event of a default under the Plan  
9 consisting of an uncured default in payment to any Creditor, such Creditor shall  
10 retain, in addition to all other remedies available to enforce the Plan, the right to  
11 object to the validity, priority and amount of the Mechling Secured Claims by any  
12 legally available means and in any Court of competent jurisdiction. All defenses to  
13 any such objection which are based on limitations, laches or other delay and which  
14 have not expired on or before the Petition Date shall be tolled as of the Petition Date  
15 and shall extend, as to all such Creditors, until their Claims are Paid in Full.

16   **8.     POST CONFIRMATION JURISDICTION**

17           Except as provided herein, from and after the Confirmation Date, the Court  
18 shall retain jurisdiction, to the extent allowed under applicable law, for the following  
19 purposes:

20           8.1   To hear and determine any and all objections to the allowance of a  
21 Claim, actions to equitably subordinate or recharacterize a Claim, or any controversy  
22 as to the classification of a Claim in a particular Class under the Plan;

23           8.2   To interpret and enforce the Plan;

24           8.3   To adjudicate objections to Claims;

8.4 To hear all applications filed by professionals for compensation and reimbursement of expenses for services performed before the Effective Date;

8.5 To enter and implement such orders as may be appropriate in the event confirmation is for any reason stayed, reversed, revoked, modified or vacated;

8.6 To modify the Plan to the extent permitted by law and to correct any defect, cure any omission, or reconcile any inconsistency in the Plan or in the Confirmation Order as may be necessary to carry out the purposes and intent of the Plan;

8.7 To enter a final decree and close the Bankruptcy Case.

## **9. GENERAL PROVISIONS**

9.1 Avalanche Case Plan Confirmation. As a condition precedent for the benefit of the Debtor and Reorganized Debtor only, the effectiveness of this Plan is contingent upon the entry of an order confirming a plan in the Avalanche Case.

### **9.2 Notices.**

All notices, demands, or other communications given in relation to this Agreement shall be in writing and may be personally delivered to the recipient or transmitted via one or more of the following means: (i) United States First Class, Priority or Certified Mail, postage prepaid; (ii) overnight courier; or (iii) email. There shall be no presumption of receipt of any notice which is sent only by United States First Class or Priority Mail. Each transmission shall be to the most recent address (for the selected mode of transmission) known to the sender, and to the mailing addresses and email address(es) for the recipient, if any, set forth below:

If to the Debtor: Twins Special, LLC  
2907 Shelter Island Dr. Ste 105-701  
San Diego, CA 92016  
mechling@gmail.com

With a copy to: Bruce Babcock  
Law Office of Bruce R. Babcock  
4808 Santa Monica Ave.  
San Diego, CA 92017  
[brbab@hotmail.com](mailto:brbab@hotmail.com)

If to the Mechlings: Christopher D. Mechling  
Nicholas D. Mechling  
2907 Shelter Island Dr. Ste 105-701  
San Diego, CA 92016  
mechling@gmail.com

With a copy to: Dean T. Kirby, Jr.  
Kirby & McGuinn, A P.C.  
707 Broadway, Suite 1750  
San Diego, CA 92101  
[dkirby@kirbymac.com](mailto:dkirby@kirbymac.com)

or to such other address or to such other person as any party to this Agreement may designate in writing to the other(s) for such purposes in the manner set forth in this Article.

### 9.3 Severability.

Should any term or provision in the Plan be determined to be unenforceable, such determination shall in no way limit or affect the enforceability and operative effect of any other term or provision of the Plan; provided, however, that this provision shall not be applied or interpreted so as to defeat the primary purpose of this Plan, to wit: the restructuring of the Debtor's obligations to its Creditors on the material terms and according to the treatment afforded to their Claims under the Plan.

1           9.4   Governing Law

2           Except to the extent that federal law bankruptcy law is applicable, the rights  
3 and obligations arising under the Plan and any documents, agreements and  
4 instruments executed in connection with the Plan shall be governed by, and construed  
5 and enforced in accordance with, the laws of the State of California.

6           9.5   Successors and Assigns

7           The rights and obligations of any entity named or referred to in the Plan shall be  
8 binding upon, and shall inure to the benefit of, the successors and assigns of such  
9 entity.

10                                   TWINS SPECIAL, LLC  
11                                   A California limited liability  
                                      company

12                                   By: /s/ Christopher D. Mechling  
13                                   Christopher D. Mechling  
14                                   Managing Member

15                                   /s/ Christopher D. Mechling  
16                                   CHRISTOPHER D. MECHLING

/s/ Nicholas D. Mechling  
                                      NICHOLAS D. MECHLING

17  
18                                   By: /s/ Bruce R. Babcock  
19                                   BRUCE R. BABCOCK  
20                                   Attorney for Debtor  
                                      Twins Special, LLC

21                                   KIRBY & McGUINN, A P.C.

22                                   By: /s/ Dean T. Kirby, Jr.  
23                                   Dean T. Kirby, Jr.  
24                                   Attorneys for Christopher Mechling  
                                      And Nicholas Mechling

## CLASS 2 (POULIOT JUDGMENT) SHARED PLAN PAYMENTS

Class Total	Monthly Payment 1-12 Months	Monthly Payment 13-24 Months	Monthly Payment 25-36 Months	Monthly Payment 27-48 Months	Total Payments [PV =141,588.47]
\$141,588.47	1,250.00	2,200.00	3,700.00	5,603.51	153,042.12

## CLASS 3 (GENERAL UNSECURED) SHARED PLAN PAYMENTS

Class Total (Shared)	Monthly Payment 1-12 Months	Monthly Payment 13-24 Months	Monthly Payment 25-36 Months	Monthly Payment 27-48 Months	Total Payments [PV =743,567.00]
\$743,567.00	7,800.00	13,700.00	19,500.00	25,725.58	800,706.96

## In re TWINS SPECIAL, LLC -- CLASS 3 (GENERAL UNSECURED) UNSHARED PLAN PAYMENTS

Class Total (Unshared)	Monthly Payment 1-12 Months	Monthly Payment 13-24 Months	Monthly Payment 25-36 Months	Monthly Payment 27-48 Months	Total Payments [PV =138,891.41]
\$138,891.41.	1,200.00	2,150.00	3,600.00	5,564.44	150,173.28

## In re AVALANCHE COMPANY, LLC – CLASS 3 (GENERAL UNSECURED) UNSHARED PLAN PAYMENTS

Class Total (Unshared)	Monthly Payment 1-12 Months	Monthly Payment 13-24 Months	Monthly Payment 25-36 Months	Monthly Payment 27-48 Months	Total Payments [PV =471.47]
\$471.47	\$471.47 (1 month)				471.47